



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 964 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Mary Cavanagh
Committee: Labor

Date Completed: 11-27-24

INTRODUCTION

The bill would transition the issuance and administration of youth work permits from school issuing officers to the Department of Labor and Economic Opportunity (LEO) and require LEO to establish registration systems for minors and employers who employ minors. Minors and employers would have to provide certain personal and work-related information to the registration systems and that information would be exempt from the Freedom of Information Act (FOIA). Additionally, the bill would modify the number of hours and times of day that a minor under the age of 16 could work, depending on whether school was in session.

BRIEF RATIONALE

Employment for minors promotes financial independence and literacy; however, according to testimony, employment for minors also can be disempowering because LEO often cannot effectively enforce the Act, which can lead to minors being employed in unsafe situations. Transparent enforcement mechanisms should be implemented to ensure that minors can access the benefits of being employed while being treated lawfully by their employers.

FISCAL IMPACT

The bill would create costs for the Department for Fiscal Year 2025-2026, as LEO would have to create two registration systems to be used by minors and employers, respectively. These would be programming costs under the language of the bill and likely would incur costs in the form of IT development and implementation, along with the hiring of several full-time equivalents (FTEs) to manage the new systems. Currently, new FTEs cost the State roughly \$140,000 in salary and benefits. Additional security measures also could need to be adopted to protect any personally identifiable information of minors using the registration system.

MCL 409.102 et al.

Legislative Analyst: Alex Krabill
Fiscal Analyst: Cory Savino, PhD

CONTENT

The bill would amend the Youth Employment Standards Act to do the following:

- Require LEO to issue and generally administer work permits, instead of an issuing officer at a school, 18 months after the bill's effective date.**
- Modify the number of hours a minor less than 16 years old could work, depending on when school was in session.**
- Require a person proposing to employ a minor to receive authorization from LEO.**
- Require the Director of LEO to determine whether the employer complied with the Act and provide notice of the determination to the minor, employer, and parent or legal guardian of the minor within five days of a minor and the employer registering with LEO.**
- Require LEO to create a registration system for minors and employers.**
- Specify that registration requirements would not apply to a minor to whom work permits do not currently apply.**
- Exempt information in the registration system from FOIA.**
- Prohibit a deviation from standards under the Act that allowed a minor to work between 12 AM and 5 AM or work in a hazardous or injurious occupation.**
- Require the Director of LEO to maintain a database of employers authorized under the Act to employ minors.**
- Require the Director of LEO to promulgate rules that, among other things, implemented the bill's provisions.**

Work Permit Requirement Changes

Except in certain circumstances, the Act requires minors and employers that employ minors to procure a work permit from an issuing officer of the school district, intermediate school district, public school academy, or nonpublic school at which the minor is enrolled.¹ Under the bill, these requirements would apply for 18 months after the bill's effective date. On or after 18 months after the bill's effective date, the work permit would have to be issued by the Director of LEO.

Currently, a minor's employer must return the work permit to the issuing officer immediately after the termination of the minor's employment. Under the bill, the employer would have to do one of the following immediately after the termination of the minor's employment:

- Before 18 months after the bill's effective date, return the work permit to the issuing officer.
- On or after 18 months after the bill's effective date, notify LEO.

Currently, the issuing officer may administer oaths in relation to work permits. Under the bill, an issuing officer or the Director could administer oaths in relation to work permits. Additionally, all authority to revoke or refuse to issue a permit would be removed from the issuing officer and given to the Director.

Work Requirements for Minors Under 16 Years Old

Currently, a minor under 16 years of age may not be employed in an occupation subject to the Act in the following ways:

¹ The work permit requirement does not apply to 1) a minor who is at least 13 and who works on a farm during school vacation periods; 2) a minor who performs work as an unpaid volunteer for a non-profit; and 3) a minor who performs work as an unpaid volunteer for a fair operated by an agricultural society.

- For more than six days a week.
- For a period longer than a weekly average of eight hours per day, or 48 hours a week.
- For more than 10 hours in one day.
- Between the hours of 9 PM and 7 AM.
- If a minor is a student, for more than a combined school and work week of 48 hours during the period when school is in session.

Instead, under the bill, a minor under 16 years of age whose employment was subject to the Act could be employed only as follows:

- During a time that was outside school hours.
- For not more than three hours per day during a week when school was in session.
- Between the hours of 7 AM and 9 PM during the period that began on June 1 and ended on Labor Day.
- Between the hours of 7 AM and 7 PM during the period that began on the date immediately following Labor Day and ended on May 31.
- For not more than 18 hours during a week when school was in session.
- For not more than 40 hours during a week that was not a week when school was in session.

"Outside school hours" would mean such periods as before and after school hours, holidays, summer vacations, weekends, and any other day or part of a day when school is not in session as determined by the local public school district in which the minor resides when employed. Summer school sessions, held in addition to the regularly scheduled school year, would be considered to be outside of school hours. "School hours" would refer to the hours that the local public school district where the minor resides while employed is in session during the regularly scheduled school year.

"Week" would mean a fixed and regularly recurring period of 168 hours—seven consecutive 24-hour periods—that is identical to the workweek the employer establishes for the employee. "Week when school is in session" would mean any week the local public school district where the minor resides while employed is in session and students are required to attend for at least one day or partial day.

Registration Requirements for Minors

Except as otherwise provided below, beginning 18 months after the bill's effective date, a minor could not be employed in an occupation regulated by the Act unless all the following requirements were met:

- The minor was registered with LEO as described in Employee and Employer Registration System for Minors.
- The person proposing to employ the minor complied with the Act.
- The person proposing to employ the minor received authorization from LEO as described below.

If, 18 months after the bill's effective date, a minor were employed by an employer in compliance with the Act, the minor and the employer would not be required to register as described in Employee and Employer Registration System for Minors with respect to that minor until one of the following occurred, as applicable:

- The minor began employment with a different employer.
- The primary location at which the minor worked changed.
- The minor turned 16 years of age.

Within five days after a minor and the employer proposing to employ the minor registered as described in Employee and Employer Registration System for Minors, the Director would have to do the following:

- Determine whether the minor's employment complied with the Act.
- Provide notice of the determination to the employer, minor, and parent or legal guardian of the minor; the notice would have to state whether any deviations under the Act were requested or authorized.

If the Director did not provide notice of its determination during the time period described above, the employer could begin employing the minor on the date immediately following the end of the time period.

Within five days after notice described above was provided, if a parent or legal guardian of a minor notified LEO that the parent or legal guardian did not consent to a deviation or a portion of a deviation, LEO could not authorize the deviation or the portion of the deviation.

Employee and Employer Registration System for Minors

Under the bill, the Director would have to create and maintain a registration system that did the following:

- Allow a minor to register for employment or a parent or legal guardian of a minor to register the minor for employment.
- Allow an employer to register to employ minors under the Act as described below.

The registration system would have to meet all the following requirements:

- Be accessible to the public via the internet at no cost to the public.
- Require a minor, a parent, or a legal guardian of a minor to submit information that was sufficient, as determined by LEO, to identify the name and age of the minor, the minor's home address and contact information, the name of each of the parents or legal guardians of the minor, and the home address and contact information of each of the parents or legal guardians of the minor.
- Allow a minor, a parent, or a legal guardian of a minor to describe a physical limitation of the minor.
- Allow a minor, a parent, a legal guardian of a minor, or an employer to review any requested or authorized deviation under the Act.
- Allow an employer to submit information and items pertaining to the employer and a minor's employment as described below.
- Provide automatic notification to an employer when a minor registered for employment with the employer.
- Any other requirement that was relevant to the employment of a minor under the Act as determined by the Director.

The bill would exempt the above information in the registration system from disclosure under the Freedom of Information Act. The Department could disclose the information in the registration system only if the disclosure were necessary to enforce and implement the Act.

If an employer proposing to hire a minor received notification via the registration system that the minor had registered for employment with the employer, the employer would have to submit all the following to the registration system before hiring the minor:

- The name and contact information of the employer.

- The name and contact information of the minor.
- The address of each of the employer's work sites.
- The address of the proposed primary work site of the minor.
- The name of each minor the employer was employing at that time.
- A signed statement made under the penalty of perjury that the employer was or would employ minors in accordance with all applicable laws.
- Any other information or items as determined by the Director.

Rules and Deviations

Currently, LEO must promulgate rules prescribing standards not inconsistent with the Act as to the working conditions, safety, health and personal well-being of minors in various types of employment. The bill would require LEO to promulgate rules to implement the Act, as well.

The Act requires the Director of LEO to grant deviations from established standards or from hours by employment when it is determined to be in the best interests of the minor and the community. The Director must prescribe the procedures for applying and issuing deviations. The bill would subject these provisions to the provisions below.

Under the bill, the Director could not grant a deviation if the deviation allowed any of the following:

- A minor to be employed between 12 AM and 5 AM.
- A minor to be employed in, about, or in connection with an occupation that was hazardous or injurious to the minor's health or personal well-being.

Database of Authorized Employers

The bill would require the Director to create and maintain a database of employers that were authorized to employ minors under the Act based on the information in the registration system. The database would have to meet all the following requirements:

- Be accessible to the public via the internet at no cost to the public.
- Display the name and address for each employer that was authorized to employ minors under the Act if the employer had requested for the information to be displayed publicly.

If the Director determined that an employer listed in the database was not authorized to employ minors under the Act, the Director would have to immediately remove the employer from the database.

SAS\S2324\s964sb

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.